GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:3993
ANSWERED ON:16.12.2002
BOOST TO FARM SECTOR
A. VENKATESH NAIK;ASHOK NAMDEORAO MOHOL;GADDE RAMAMOHAN;M.H. AMBAREESH;M.V.V.S MURTHI;RAMSHETH THAKUR

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the attention of the Government has been drawn to the news-item captioned `New steps planned to boost farm sector` appearing in the Hindu dated December 4, 2002;

(b) if so, the facts of the matter reported therein and reaction of the Government thereto;

(c) whether his ministry has undertaken an exercise to effect a reduction in the interest rates and bring about a simplification in the procedures to provide credit to farmers;

(d) if so, the success achieved in this regard by the Government;

(e) the steps taken by the Government to affect a change in the Agricultural Produce Marketing Committee Act; and

(f) the steps taken by the Government to provide easy credit to the farm sector?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI HUKUMDEO NARAYAN YADAV)

(a)&(b): Yes, Sir. The Government of India is taking a number of new initiatives to boost thefarm sector on the lines mentioned in the news items.

(c): Yes, Sir.

(d): Efforts are being made for increasing the availability of credit and lowering of interest rates for the farm sector. However, in view of the financial stringency lowering of interest rates has not been possible at present. For providing timely and adequate credit to the farmers and simplification of procedure, the following steps have been taken:-

1. Nationalised/commercial banks and Regional Rural banks have been restructured and recapitalised in order to strengthen them.

2. A scheme of Kisan Credit Cards has been introduced in order to provide easy and flexible credit to farmers.

3. To strengthen the cooperative structure, rehabilitation package for revamping of cooperative credit institutions has been announced in the Budget 2002-03.

4. Banks have been asked not to insist margin money for crop loan/term loan granted to farmers upto Rs.10,000/-

5. Banks need not to insist upon collateral security/third party guarantee for crop loan upto Rs.10,000/- Hypothecation of crops can be taken as security.

6. Loans above Rs.10,000/- banks may have discretion in the matter relating to margin security.

7 Total interest debited to the account of small and marginal farmers should not exceed the principal amount in respect of short term advances.

(e): Government of India have taken the following steps in this regard:-

(i) An Inter-Ministerial Task Force to suggest reforms in the State Acts dealing with agricultural marketing was constituted.

(ii) A National Conference of State Govts/Union Territories has been held on 27.9.02 to discuss the recommendations of the Task Force.

(iii) A Standing Committee of State Ministers has been set up under the chairmanship of Union Minister of State for Agriculture to work out an action plan for implementation of the reforms.

(f): As stated in reply to part (d) above.